

July 25, 2017

Mr Ken Siong  
Technical Director  
International Ethics Standards Board for Accountants  
International Federation of Accountants  
529 5<sup>th</sup> Avenue, 6<sup>th</sup> Floor  
New York, New York 10017  
United States of America

Via Online Submission

Dear Mr Ken Siong

**COMMENTS ON IESBA EXPOSURE DRAFT,  
PROPOSED APPLICATION MATERIAL RELATING TO: (A) PROFESSIONAL  
SKEPTICISM – LINKAGE WITH THE FUNDAMENTAL PRINCIPLES; AND (B)  
PROFESSIONAL JUDGMENT – EMPHASIS ON UNDERSTANDING FACTS AND  
CIRCUMSTANCES**

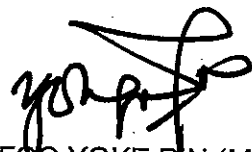
We thank you for the opportunity to comment on IESBA Exposure Draft; *Proposed Application Material Relating to: (a) Professional Skepticism – Linkage with the Fundamental Principles; and (b) Professional Judgment – Emphasis on Understanding Facts and Circumstances.*

In this regard, we are pleased to attach the Institute's comments as set out in Appendix I for your consideration.

Please do not hesitate to contact the undersigned or the Institute's Senior Technical Manager, Ms Hoh Kim Hyan, at +603-2698 9622 should you require any clarification.

Thank you.

Yours sincerely



FOO YOKE PIN (Mr)  
Executive Director

THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)

**International Ethics Standards Board for Accountants**

***Proposed Application Material Relating to:***

- (a) Professional Skepticism – Linkage with the Fundamental Principles; and***  
***(b) Professional Judgment – Emphasis on Understanding Facts and Circumstances***

**Questionnaire**

---

The IESBA welcomes comments on all matters addressed in the ED, but especially those identified in the Request for Specific Comments below. Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and, where appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in this ED, it will be helpful for the IESBA to be made aware of this view.

---

***Proposed Application Material Relating to Professional Skepticism (paragraph 120.13 A1)***

**Question 1**

Do respondents agree that the proposed application material enhances the understandability of the conceptual framework in Section 120 of the proposed restructured Code?

**MICPA's Comments:**

Yes, MICPA agrees that the proposed application material enhances the understandability of the conceptual framework in Section 120 of the proposed restructured Code.

**Question 2**

Do the examples in the proposed application material clearly describe how compliance with the fundamental principles of integrity, objectivity, and professional competence and due care support the exercise of professional skepticism in the context of an audit of financial statements? If not, why not?

**MICPA's Comments:**

Yes, the examples in the proposed application material clearly describe how compliance with the fundamental principles of integrity, objectivity, and professional competence and due care support the exercise of professional skepticism in the context of an audit of financial statements.

***Proposed Application Material Relating to Professional Judgment (paragraph 120.5 A1)***

**Question 3**

Do respondents agree that the proposed application material enhances the understandability of the conceptual framework in Section 120 of the proposed restructured Code?

**MICPA's Comments:**

Yes, MICPA agrees that the proposed application material enhances the understandability of the conceptual framework in Section 120 of the proposed restructured Code.

**Question 4**

Do respondents agree that the proposed application material appropriately emphasizes the importance of professional accountants obtaining a sufficient understanding of the facts and circumstances known to them when exercising professional judgment in applying the conceptual framework? If not, why not?

**MICPA's Comments:**

The Institute agrees that the proposed application material appropriately emphasizes the importance of professional accountants obtaining a sufficient understanding of the facts and circumstances known to them when exercising professional judgment in applying the conceptual framework.